



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-834]

Large Diameter Welded Pipe from the Republic of Turkey: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on large diameter welded carbon and alloy steel structural pipe from the Republic of Turkey (Turkey).

DATES: Applicable [Insert Date of Publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Ross Belliveau at (202) 482-4952 or Ajay Menon at (202) 482-1993, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On February 27, 2019, Commerce published its affirmative final determination in the countervailing duty investigation of large diameter welded pipe from Turkey.<sup>1</sup> The scope of the investigation in Commerce's final determination covered large diameter welded carbon and alloy steel line pipe (welded line pipe), large diameter welded carbon and alloy steel structural pipe (welded structural pipe), and stainless steel large diameter welded pipe (stainless steel pipe) from

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<sup>1</sup> See *Large Diameter Welded Pipe from the Republic of Turkey: Final Affirmative Countervailing Duty Determination*, 84 FR 6367 (February 27, 2019) (*Final Determination*).

Turkey.<sup>2</sup> As discussed below, the ITC subsequently found three domestic like products covered by the scope of the investigation (welded line pipe, welded structural pipe, and stainless steel pipe) and, accordingly, made a separate injury determination with respect to each domestic like product. On April 15, 2019, the ITC notified Commerce of its final determination, pursuant to section 705(d) of the Tariff Act of 1930, as amended (the Act), that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of welded structural pipe from Turkey.<sup>3</sup> Additionally, the ITC made a negligibility determination with respect to welded line pipe and stainless steel pipe.<sup>4</sup> Commerce released draft revised scope language for comment by parties.<sup>5</sup> No party objected to the revised scope language in this proceeding.

#### Scope of the Order

The product covered by this order is welded structural pipe from Turkey. For a complete description of the scope of this order, *see* the Appendix to this notice.

#### Countervailing Duty Order

On April 15, 2019, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that imports of welded structural pipe from Turkey are materially injuring a U.S. industry.<sup>6</sup> As a result, and in accordance with sections 705(c)(2) and 706 of the Act, we are publishing this countervailing duty order. As noted above, in its determination, the ITC found three domestic

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<sup>2</sup> *Id.*

<sup>3</sup> *See* ITC Notification Letter regarding ITC Investigation Nos. 701-TA-595-596 and 731-TA-1401, 1403, 1405-1406, dated April 15, 2019 (ITC Notification); *see also Large Diameter Welded Pipe from Canada, Greece, Korea and Turkey; Determinations*, 84 FR 16533 (April 19, 2019) (*ITC Final Determination*); and *Large Diameter Welded Pipe from Canada, Greece, Korea and Turkey, Investigation Nos. 701-TA-595-596 and 731-TA-1401, 1403, 1405-1406 (Final)*, Publication 4883, April 2019 (Final ITC Report).

<sup>4</sup> *See* ITC Notification.

<sup>5</sup> *See* Memorandum, “Comments on the Scope of the Orders,” dated April 5, 2019.

<sup>6</sup> *See* ITC Notification; and *ITC Final Determination*.

like products covered by the scope of the investigation: welded line pipe, welded structural pipe, and stainless steel pipe. The ITC found that imports of welded line pipe and stainless steel pipe from Turkey are negligible. The ITC made an affirmative determination with respect to welded structural pipe from Turkey. Because the ITC made distinct and different injury determinations for separate domestic like products, Commerce will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties on entries of welded structural pipe (subject merchandise) from Turkey, and not on entries of welded line pipe and stainless steel pipe (excluded merchandise) from Turkey.

#### *Welded Line Pipe*

The Final ITC Report describes welded line pipe as a tubular product produced from carbon and alloy steel, produced to American Petroleum Institute (API) 5L specifications, and designed for conveying liquids and gases.<sup>7</sup> Because the ITC determined that subsidized imports of welded line pipe from Turkey are negligible,<sup>8</sup> Commerce will direct CBP to terminate the suspension of liquidation for entries of welded line pipe from Turkey entered, or withdrawn from warehouse, and to refund all cash deposits with respect to these entries pursuant to section 705(c)(2) of the Act.

#### *Welded Structural Pipe*

The Final ITC Report describes welded structural pipe as a tubular product produced from carbon and alloy steel, produced to American Society for Testing and Materials (ASTM) specifications, and designed for support in construction projects and piling.<sup>9</sup> Because the ITC determined that subsidized imports of welded structural pipe from Turkey are materially injuring

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<sup>7</sup> See Final ITC Report at 7.

<sup>8</sup> *Id.* at 1 and 5.

<sup>9</sup> *Id.* at 7.

a U.S. industry,<sup>10</sup> all unliquidated entries of subject merchandise from Turkey, entered or withdrawn from warehouse, are subject to the assessment of countervailing duties, pursuant to section 706 of the Act, as described below.

As a result of the *ITC Final Determination*, in accordance with section 706(a) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of welded structural pipe from Turkey. Countervailing duties will be assessed on unliquidated entries of welded structural pipe from Turkey entered, or withdrawn from warehouse, for consumption on or after June 29, 2018, the date of publication of the *Preliminary Determination*,<sup>11</sup> but will not be assessed on entries occurring after the expiration of the provisional measures period, beginning on October 27, 2018, in accordance with section 703(d) of the Act, until the date of publication of the *ITC Final Determination* in the *Federal Register*.

#### *Stainless Steel Pipe*

The Final ITC Report describes stainless steel pipe as being produced from stainless steel for its high-chrome chemistry and corrosion-resistant properties.<sup>12</sup> Because the ITC determined that subsidized imports of stainless steel pipe from Turkey are negligible,<sup>13</sup> Commerce will direct CBP to terminate the suspension of liquidation for entries of stainless steel pipe from Turkey entered, or withdrawn from warehouse, and to refund all cash deposits with respect to these entries pursuant to section 705(c)(2) of the Act.

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<sup>10</sup> *Id.* at 1 and 5.

<sup>11</sup> See *Large Diameter Welded Pipe from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 83 FR 30697 (June 29, 2018) (*Preliminary Determination*).

<sup>12</sup> See Final ITC Report at 7.

<sup>13</sup> *Id.* at 1-2 and 5.

### Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation on all relevant entries of subject merchandise (*i.e.*, welded structural pipe) from Turkey, effective the date of publication of the *ITC Final Determination* in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rate for the subject merchandise. Because the net countervailable subsidy rate for Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan) in the *Final Determination* was *de minimis*, entries of shipments of subject merchandise both produced and exported by Borusan are not subject to suspension of liquidation or cash deposit requirements. Entries of subject merchandise exported to the United States by any other producer and exporter combination are not entitled to this exclusion from suspension of liquidation and are subject to the applicable cash deposit rates noted below.

We intend to instruct CBP to require, at the same time as importers would normally deposit estimated import duties on this merchandise, cash deposits for each entry of subject merchandise equal to the rates noted below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all other producers or exporters not specifically listed.

<b>Company</b>	<b>Subsidy Rate (percent)</b>
HDM Celik Boru Sanayi ve Ticaret A.S. <sup>14</sup>	3.72
Borusan Mannesmann Boru Sanayi ve Ticaret A.S. <sup>15</sup>	0.92 ( <i>de minimis</i> )
All Others	3.72

#### Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to welded structural pipe from Turkey pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with sections 705(c) and 706(a) of the Act and 19 CFR 351.211(b).

**Dated: April 23, 2019.**

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James Maeder,  
Associate Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations  
performing the duties of Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations.

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<sup>14</sup> Commerce found the following company to be cross-owned with HDM Celik: HDM Spiral Kaynakli Celik Boru A.S.

<sup>15</sup> Commerce found the following companies to be cross-owned with Borusan: Borusan Mannesmann Boru Yatirim Holding A.S. and Borusan Holding A.S.

## Appendix

### Scope of the Order

The merchandise covered by this order is welded carbon and alloy steel structural pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded structural pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded structural pipe may be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded structural pipe may be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded structural pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All structural pipe meeting the physical description set forth above, including any dual- or multiple-certified/stenciled pipe with an ASTM (or comparable) welded structural pipe certification/stencil, is covered by the scope of this order.

Subject merchandise also includes large diameter welded structural pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope large diameter welded structural pipe.

Excluded from the scope of this order is line pipe which is suitable for transporting oil, gas, slurry, steam, or other fluids, liquids, or gases, and is normally produced to American Petroleum Institute (API) specification 5L or equivalent foreign specifications grades and/or standards or to proprietary specifications, grades and/or standards. Also excluded from the scope are any products covered by the existing countervailing duty order on welded line pipe from the Republic of Turkey. *See Welded Line Pipe from the Republic of Turkey: Countervailing Duty Order*, 80 FR 75054 (December 1, 2015).

The large diameter welded structural pipe that is subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000. Merchandise currently classifiable under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000 and that otherwise meets the above scope language is also covered. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.